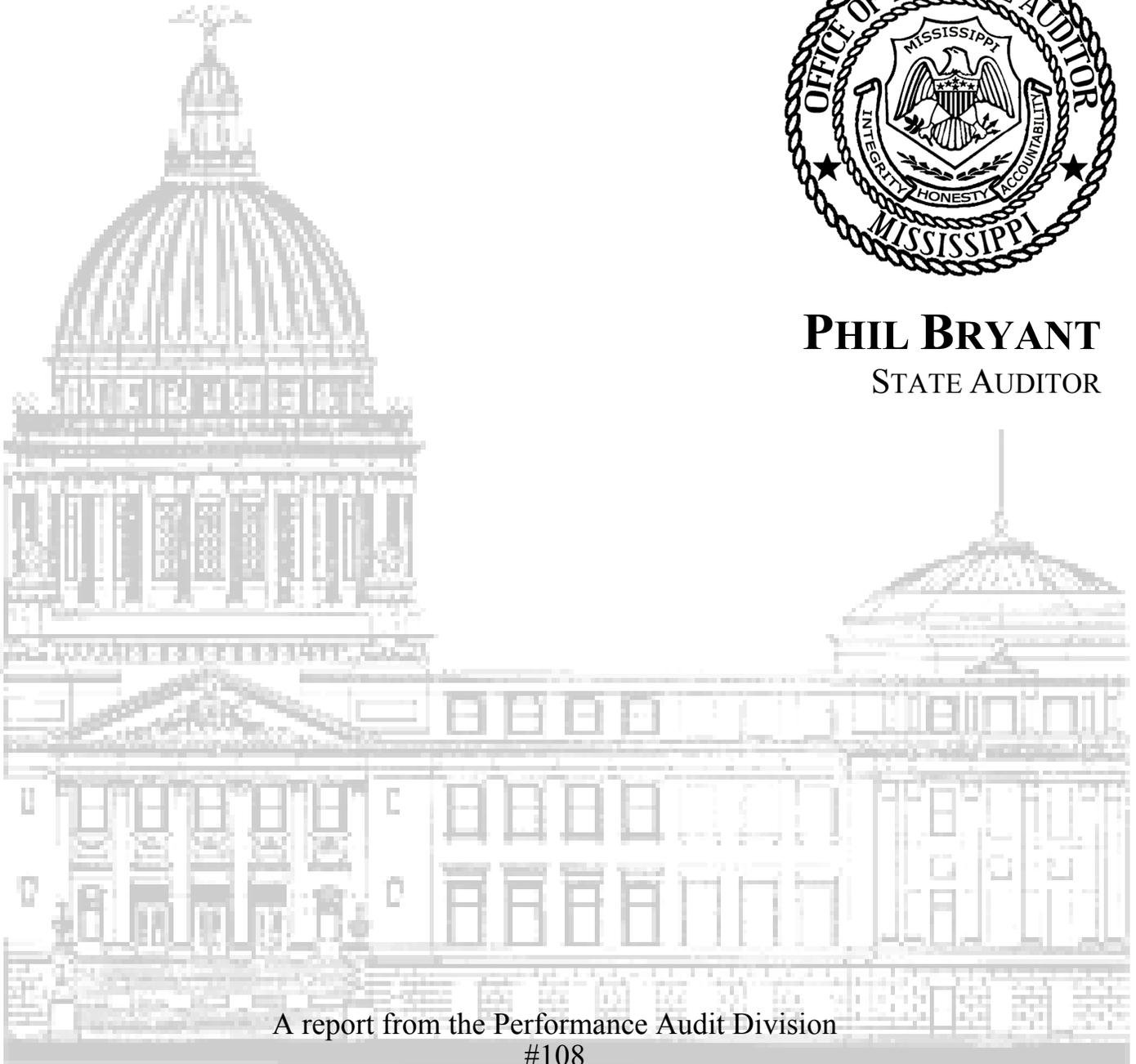


***A LIMITED SCOPE PERFORMANCE REVIEW OF THE MISSISSIPPI DEPARTMENT
OF HEALTH'S EMERGENCY MEDICAL SERVICES OPERATING FUND***



PHIL BRYANT
STATE AUDITOR



A report from the Performance Audit Division

#108

October 17, 2006

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

October 17, 2006

Senator Alan Nunnelee, Chairman
Members of the Senate Public Health & Welfare Committee

Dear Senator Nunnelee and Committee members:

Pursuant to your request of August 30, 2006, the Performance Audit Division of the Office of the State Auditor has prepared a draft report entitled, "*A Limited Scope Performance Review Of The Mississippi Department Of Health's Emergency Medical Services Operating Fund.*" We present this report to you for your review, with the understanding that as it is finalized, some changes may be made.

Once this report has been finalized, it will be available on the State Auditor's Office web page (<http://www.osa.state.ms.us>). Additional copies may be downloaded from this site at that time.

The scope of this report was very limited, encompassing only the Emergency Medical Services (EMS) Operating Fund and its function within the broader EMS program. However, I believe that the analysis and recommendations in this report will help in your future decision making processes regarding the Mississippi Department of Health.

Sincerely,

A handwritten signature in black ink, which appears to read "Phil Bryant".

Phil Bryant
State Auditor

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LIST of COMMON ACRONYMS

Mississippi State Board of Health.....	Board
Mississippi Bureau of Medical Services.....	BEMS or Bureau [‡]
Mississippi Department of Health	DoH, Department, or Agency
Emergency Medical Services.....	EMS
Emergency Medical Services Advisory Council.....	Council or Advisory Council
Emergency Medical Services Operating Fund	EMSOF
Mississippi Office of the State Auditor	OSA

[‡] The Bureau of Emergency Medical Services oversees everything related to what may be referred to as the EMS Program. The EMSOF is one sub-part of the EMS Program. The Department of Health also currently includes Bioterrorism, Antiterrorism, the Rural Auto External Defibrillator Program, and the Trauma Care Program, etc. in the EMS Program as well.



Office of the
State Auditor of Mississippi
Phil Bryant

Executive Summary

**A LIMITED SCOPE PERFORMANCE REVIEW OF THE MISSISSIPPI DEPARTMENT OF HEALTH'S
EMERGENCY MEDICAL SERVICES OPERATING FUND**

On August 30, 2006, the State Auditor received a written request from the Chairman of the Senate Public Health and Welfare Committee to closely examine the management, policies, procedures, revenues, and expenditures of the Emergency Medical Services Operating Fund (EMSOF) over the last several years. Specifically, this review was limited to fiscal years 2004, 2005, and 2006. In the subsequent performance review, a number of internal weaknesses, discrepancies, and other issues were identified within the EMSOF. This report reviewed the effectiveness of EMSOF, with the understanding that it is a unique component of the broader EMS program. Recommendations made in this report are designed to enhance the effectiveness of this program and correct internal weaknesses.

According to one of the original authors of the EMSOF statute, the intent was simple. It was intended to raise money for local emergency medical service (EMS) providers to replace what they were going to lose due to changes in federal regulations covering the Emergency Medical Services Act of 1973. Beginning in 1983, a \$5 assessment, added to each hazardous moving violation, would be put into a fund at the Treasury and the Mississippi State Department of Health (DoH) would oversee the redistribution of those funds. Because the Legislature realized there would be some administrative costs involved in handling the redistribution of funds, they added language to allow DoH to cover these costs with EMSOF money.

While the original intent of this law appears to have been clear, over the years, the use of funds has changed. This change is supported by the statute's language. Due to the specific wording of the EMSOF statute (§41-59-61, Mississippi Code of 1972, annotated) and its placement within the broader Mississippi Emergency Medical Services Act of 1974 (§41-59-5, Mississippi Code of 1972, annotated), the DoH may expend EMSOF funds on any administrative costs for non-EMSOF areas, as long as they are part of the broader

Bureau of Emergency Medical Services (BEMS) (See the organization chart on page 3). The Department's definition of "administrative expenses" covers a broad spectrum of expenditures. In recent years, this has resulted in a fairly large growth in internal "administrative" expenditures totally unrelated to the redistribution of EMSOF money back to local governments for the enhancement of local emergency medical services. It has also resulted in fewer funds available for redistribution to local entities.

The first, and perhaps most important finding in this report, addresses the intent of use versus the actual use of EMSOF money. If the intent of the Legislature is that the EMSOF money should be redistributed to eligible local governments, and administrative expenses should be solely confined to costs associated with such redistribution, then OSA recommends a technical change in the law. If the current use is acceptable, then no change needs to be made.

OSA found that EMSOF money was used to pay salaries of staff located outside of the Bureau of Emergency Medical Services. The EMSOF governing statute is clear that the use of administrative funds be for the EMS program. No other uses are listed in the statute. OSA believes that DoH should transfer money into EMSOF from some other appropriate source to pay the fund back for those salaries. OSA also recommends that, in the future, DoH not expend EMSOF money to pay salaries of staff located outside of BEMS.

OSA also found that EMSOF money was used to purchase \$35,654.75 of equipment in FY 2004 that is currently being used in non-EMS related areas. Again, the governing statute is clear that the bounded limit of EMSOF is for the EMS program. OSA recommends that DoH repay the EMSOF fund from other appropriate funds for any equipment that was improperly purchased. In the future, DoH should not expend EMSOF money to buy equipment to be used for non-EMS program purposes.



Another equipment related finding involved \$45,034.91 of items originally reported as either missing or not on inventory. In fact, based on a letter provided by the Department of Health, a private installation contractor was reported to have possibly lost some equipment. In follow-up audits in September and October 2006, all but \$3,880 in equipment items has been found. OSA recommends DoH strengthen its purchasing and inventory controls and work to determine the location of all missing equipment.

The BEMS does not have official, written and approved policies and procedures for the internal operation and administration of the EMSOF. DoH was able to provide us with the general guidelines they use within BEMS. They do have Board approved application policies and procedures for government entities. Just as the entities applying for EMSOF funds must follow a schedule and provide certain information to DoH, so should BEMS require its staff to follow guidelines to ensure that EMSOF is effective and timely. Additionally, a lack of internal operating policies and procedures can lead to poor management and confusion about the use of the EMSOF (as found during our review of FY 2005 and FY 2006 budgetary decisions). Without official policies and procedures in place, any new BEMS director (or any administrator with control over EMSOF) can change how the fund is handled, when disbursements are made, etc. This is an internal weakness that should be corrected.

OSA determined that DoH allowed the membership of its Emergency Medical Services Advisory Council to fully lapse. While they maintain that it is the Governor's responsibility, they should assign staff to liaise with the Governor's Office to prevent this from happening. Currently, they are working with the Governor's Office to correct the lapsed membership problem. Maintaining membership lists as well as notifying and working with the Governor's Office should be part of BEMS internal operating policies and procedures. The Advisory Council and its sub-committees are clearly part of the EMS Act. The only current member is the State Health Officer. This committee is required by statute to meet at least once a year. One of its mission parameters is to bring

recommendations before the Board of Health about the EMS program (which includes EMSOF). OSA recommends that DoH appoint staff to maintain the committee membership list and promptly notify the Governor's office and State Health Officer of upcoming membership vacancies.

It appears that DoH has some fiscal management weaknesses in the BEMS as well. The Bureau utilizes EMSOF money to cover expenses associated with many of its other programmatic areas, which is allowed under current statute. However, they do not keep a detailed account of how they spend the funds. They define "administrative costs" (for the purposes of the EMSOF) as anything that is not a direct redistribution of EMSOF whether it is programmatic, operational, or administrative. This definition can include any BEMS related travel, commodities, contractual, equipment, salaries, etc. for which EMSOF may be billed. DoH should define administrative costs within BEMS and keep an accounting of them, so that it is possible to see where EMSOF has been spent.

A related finding is that DoH (and BEMS) was unable to determine the percentage of EMSOF dollars used for administrative costs of the Bureau. They are currently unable to separate how they apportioned EMSOF and other BEMS program funds to pay for internal operation and administration. Although DoH maintains that they do not track expenditures in this manner—due to their interpretation of the EMSOF statute—it would enable them to analyze at least one area of the effectiveness of EMSOF expenditures. OSA recommends that DoH track programmatic expenditures in BEMS in such a way that they know how much of their total EMSOF was used for non-EMSOFF administrative or other costs. This can help ensure that EMSOF is truly effective and that its purpose is being met.

Some of these issues may be systemic and some may be isolated problems within BEMS. The DoH should examine these issues closely and make positive changes to improve the effectiveness of the EMSOF program. If the intent of the program is redistribution of funds, the Legislature should consider changing the law.



OSA Findings and Recommendations: Mississippi Department of Health EMSOF

Finding 1: The Mississippi Department of Health (DoH) and the Bureau of Emergency Medical Services (BEMS) broadly construe the definition of administrative costs, thus enabling the agency to classify and expend money collected from traffic fines for the Emergency Medical Services Operating Fund (EMSOF) on the larger Emergency Medical Services (EMS) program. This broad definition of administrative costs reduces the amount of money available to be distributed to governmental units. Section 41-59-61, Mississippi Code of 1972, Annotated, states: “...*The Legislature may make appropriations from the Emergency Medical Services Operating Fund to the State Board of Health for the purpose of defraying costs of administration of the Emergency Medical Services program and for redistribution of such funds to the counties, municipalities and organized medical service districts (hereinafter referred to as "governmental units") for the support of the emergency medical services programs...*” The wording of this statute enables the DoH to use money collected for the EMSOF redistribution to defray any administrative costs of BEMS, not just the administrative costs of the EMSOF redistribution. According to DoH, administrative costs comprise all of the expenditures related to the administration, operation, and management of the Bureau. Therefore, DoH believes they can use any funds in EMSOF to pay for any administrative costs of other BEMS subprograms. [See pages 1, 3, 4, & 6]

Recommendation 1: The Legislature should consider how they intend EMSOF to be used. If the intent of the Legislature is that the EMSOF money should be redistributed to eligible local governments, and administrative expenses should be solely confined to costs associated with such redistribution, then the Legislature should amend the law to read...“*for the purpose of defraying costs of administration of the Emergency Medical Services Operating Fund (EMSOF) and for redistribution of such funds to the counties, municipalities and organized medical service districts...*” Amending the word “program” to “fund” §41-59-61 would increase the amount available to be distributed to governmental units, which use the funds to enhance the EMS services in their city, county, or district. If Legislative intent is for EMSOF to be used to pay for internal operations of varying programmatic areas under BEMS and then distribute the remaining funds each year to local entities, then there is no need to change Section 41-59-61, Mississippi Code of 1972, Annotated.

Finding 2: The Mississippi Department of Health (DoH) used Emergency Medical Services Operating Fund (EMSOF) money to pay employees’ salaries who work outside the Bureau of Emergency Medical Services (BEMS). OSA does not find authority for DoH to expend EMSOF funds for personnel outside of BEMS. According to Section 41-59-61, Mississippi Code of 1972, Annotated, EMSOF can be used for “...*the purpose of defraying costs of administration of the Emergency Medical Services program and for redistribution of such funds to the counties, municipalities and organized medical service districts (hereinafter referred to as "governmental units") for the support of the emergency medical services programs...*” Although DoH states that these employees did have EMS responsibilities, of the 15 employees in the Office of Health Protection that are either wholly or partially paid with EMSOF, four of these employees did not work for the EMS program. [See pages 4 & 5]

Recommendation 2: DoH should comply with current law. The Office of the State Auditor recommends that the EMSOF be repaid any funds that were expended without authority for salaries of personnel outside of BEMS. The salary of these employees should be taken from appropriate funds, not the EMSOF. This, along with Recommendation 1, will further reduce the number of employees being paid out of EMSOF.



Finding 3: The Department of Health (DoH) does not have any written internal policies and procedures in place for the administration and redistribution of Emergency Medical Services EMSOF grants to eligible entities. Internal policies and procedures provided by DoH in response to this review are not yet official. Lack of formal policies and procedures can result in incoherent and inconsistent tracking, reporting, and distribution of the EMSOF. [See pages 7 & 8]

Recommendation 3: DoH should implement official, written internal policies and procedures of the EMSOF through the appropriate agency process. These policies should be made available to each employee associated with the operation of the fund. DoH should ensure that such policies and procedures are followed by BEMS staff to maintain continuity and consistency.

Finding 4: The Office of the State Auditor (OSA) determined that all Emergency Medical Services Advisory Council (Council) memberships had been allowed to lapse. The only active member at this time is the State Health Officer, who serves as Chairman. According to Department of Health (DoH) staff, the Council provides broad recommendations to EMS related program regulations and direction about the Emergency Medical Services Operating Fund (EMSOF). DoH staff reported that they only knew “who were [Council] members when they showed up for a meeting or brought them [DoH] a letter.” DoH has stated that the Bureau of Emergency Management Services (BEMS) does not keep up with membership appointments to the Council. They also noted that BEMS has not provided any assistance to the Governor’s Office in the past in making such appointments. The Council is required to meet at least annually under §41-59-7, Mississippi Code of 1972, Annotated. Yet, in the last three years, it has met only once. This section also states that the Council “*shall advise and make recommendations to the board regarding rules and regulations.*” [See page 2]

Recommendation 4: The DoH should request the Governor’s Office to appoint appropriate members to the Advisory Council as their terms lapse. Further, DoH should designate staff to maintain records of membership and their terms of service, in anticipation of working with the Governor’s Office to request new appointees. DoH should call a meeting of the Council at least once annually as the law requires. If making a quorum once a year is a problem, then DoH should consider a technical change to the Council statute to allow non-participating members to be removed and replaced.

Finding 5: The Bureau of Emergency Medical Services (BEMS) does not have a definition of “administrative expenses;” therefore, all administrative, operational, and programmatic expenses incurred to run the Emergency Medical Services (EMS) program are classified as “administrative expenses.” BEMS utilizes the Emergency Medical Services Operating Fund (EMSOF) to cover expenses associated with many of the other Bureau areas. [See page 10]

Recommendation 5: The BEMS should define “administrative expenses” and clearly separate administrative, operational, and programmatic expenses to more effectively track the expenditures of the bureau and the EMSOF. This change, in addition to Recommendation 1, can eliminate the amount of administrative expenses for other BEMS functions being paid out of EMSOF.



Finding 6: The Mississippi Department of Health (DoH) was unable to determine the percentage of Emergency Medical Services Operating Fund (EMSOF) dollars used for administrative costs of the Bureau of Emergency Medical Services (BEMS). [See page 10]

Recommendation 6: DoH should classify and report administrative expenses paid for with EMSOF. This recommendation, along with Recommendation 1, should further reduce the amount of administrative expenses being paid with EMSOF, thus providing more money to be distributed to eligible governmental units.

Finding 7: The Mississippi Department of Health (DoH) used Emergency Medical Services Operating Fund (EMSOF) money to purchase equipment which is being used outside of the Bureau of Emergency Medical Services (BEMS). The Office of the State Auditor (OSA) does not find authority for DoH to expend EMSOF funds for equipment to be used outside of BEMS. According to §41-59-61, Mississippi Code of 1972, Annotated states: *“...The Legislature may make appropriations from the Emergency Medical Services Operating Fund to the State Board of Health for the purpose of defraying costs of administration of the Emergency Medical Services program and for redistribution of such funds to the counties, municipalities and organized medical service districts (hereinafter referred to as "governmental units") for the support of the emergency medical services programs....”* EMSOF was used to purchase equipment being used throughout the entire Department of Health. [See pages 10 & 11]

Recommendation 7: DoH should comply with current law. OSA recommends that EMSOF be reimbursed by appropriate DoH funds for any dollars expended without authority for equipment being used outside of BEMS. The equipment purchased with EMSOF should be limited to the BEMS. This, in addition to the change in law from Recommendation 1, will further reduce the purchase of equipment to only the administration expenses and activities related to the redistribution of EMSOF.

Finding 8: During the initial audit of EMSOF purchased equipment, 49 items valued at \$45,034.91 were not found or were reported not on inventory. DoH reported some of this equipment as lost by a vendor. In follow-up audits, all inventory items except 4 DVD cameras and a GPS pocket computer with a total value of \$3,880 have been located, including all of the equipment reported lost by the vendor. Poor internal property controls appear to be responsible for this equipment originally being reported as lost by a vendor, and which was later found properly installed in DoH vehicles. The agency may have had equipment shipped straight from the vendor to a private contractor for installation into DoH vehicles, without properly receiving the items at the agency. DOH reported this equipment at the installer from at least May, 2005 until August 2005, when they reported it was lost during the devastation of Hurricane Katrina. It was found by the beginning of October 2006. [See page 11]

Recommendation 8: DoH needs to improve internal controls over inventory tracking and record keeping. All equipment purchased with EMSOF along with their locations should be added to EMS property listing. Further, in the future, any equipment purchased by the DoH should be properly received by the agency, recorded on inventory, and then sent to the contractor to be installed. DoH is responsible for any lost equipment and should hold their contractor responsible for any lost equipment that can be attributed to the contractor's negligence. In addition, OSA will follow normal procedure by sending a letter requesting to see the missing inventory items within 30 days. If they are unavailable after that time, or if no reasonable explanation is provided for the missing equipment, a demand letter will be issued to recover the costs for DoH.



Introduction

At the request of the Chairman of the Senate Public Health and Welfare Committee, the Office of the State Auditor's (OSA) Performance Audit Division was asked to conduct a limited scope review of the Mississippi Department of Health's Emergency Medical Services Operating Fund (EMSOF). The information in this report has been limited to the following objectives:

- Program management, purpose, and statutory authority;
- EMSOF equipment purchases and uses for fiscal years 2004, 2005, & 2006;
- EMSOF revenues and expenditures for fiscal years 2004, 2005, & 2006; and
- Comparative analysis of the redistribution of funds, salaries, and other costs charged to EMSOF.

When possible, discussion about effectiveness of the EMSOF is provided within this report as well. However, a fundamental question of intent versus implementation must be answered before EMSOF effectiveness can be resolved. In the report, *"Emergency Medical Services A Feasibility Study of the Placement of an Emergency Medical Services Vehicle/Ambulance in Every County in Mississippi, With Focus on Benton, Carroll, Greene, and Smith Counties,"* the DoH estimated that the total annual cost for a county to have its own basic EMS service would be approximately \$297,950 per year.¹ It is true that EMSOF distributions to local EMS providers are used to help create new or enhance existing EMS functions at the local level. The more funds distributed to local communities, the more effective the EMSOF will be. Evaluation of EMSOF effectiveness is limited by the question of legislative intent. Intent is also the basis for many recommendations in this report.

Background

Mississippi Department of Health Bureau of Emergency Medical Services

Congress, through the Emergency Medical Services Act of 1973, established national standards for the organization of emergency services. Emergency Medical Services (EMS) are pre-hospital health care services delivered to residents and visitors of a community who suddenly become ill or injured under emergency conditions. The scope of these services includes a quick response, detailed assessment, immediate treatment of life-threatening illnesses or injuries, and transportation to definitive care.

Prior to 1973, government involvement in emergency medical services had been primarily limited to providing emergency departments in public hospitals. Instead, private operators, predominantly funeral homes, provided emergency transportation. Today, emergency medical services are provided by public, private, or non-profit entities with the authority and the resources to effectively administer the services.

In 1974, the year after the federal act became law, the Mississippi Legislature passed the *Mississippi Emergency Medical Services Act of 1974* (see Appendix 2 for actual statute) to take advantage of federal funds to improve the State's emergency medical response. Among other things, it authorized the Mississippi Department of Health to create a Bureau of Emergency Medical Services (BEMS), which is located within the Division of Health Protection. Established under Title 41, Chapter 59 of the Mississippi Emergency Medical Services Act of 1974, the BEMS organizes, regulates, and maintains a statewide program designed to improve emergency medical care. The organizational chart on page 3 titled *"Mississippi Department of Health – Health Protection Office"* shows the current BEMS rank within the Division of Health Protection, directly below Emergency Planning and Response.

The Act also authorized the BEMS to license all ambulance services in Mississippi, to require specific equipment and standards for emergency vehicles, to provide for training and certification of emergency medical technicians and medical first responders, and to assist with the creation and the provision of technical assistance. Over the years, the Act has been amended to add reference to new statutory programs including, but not limited to, a local government revenue replacement statute in 1982, a trauma care program, a bioterrorism/antiterrorism component, and other programs as well. While BEMS is a very varied yet important program, currently, BEMS is without a full-time director. DoH has stated that this may have led to some of the confusion over OSA related requests.

¹ This DoH report only calculated the cost associated with starting and maintaining a local EMS program by a county, and did not calculate any revenues that might help pay for such a program at the local level or consider privatization. Such revenues or privatized operations might increase the effectiveness of EMSOF redistributions at the local level.



All rules, regulations, and minimum standards related to EMS are ultimately approved by the State Board of Health (Board). The Act also provides for the Emergency Medical Services Advisory Council (Council) as a body that makes recommendations regarding the EMS program—which includes distribution of the Emergency Medical Services Operating Fund (EMSOF) to eligible local governments and emergency medical services districts, among other issues. There are three sub groups of the Council: the EMS Rules and Regulations Sub-Committee; the Mississippi Trauma Advisory Committee; and the Trauma Rules and Regulations Sub-Committee. These sub-committees make recommendations to the full committee, which in turn makes recommendations to the State Board of Health for adoption. As an example, the application process, policies, and procedures for local governments and EMS districts has gone through the review process and been approved by the Board.

Emergency Medical Services Advisory Council

The legislation found in Appendix 4 of this report (§41-59-7 Mississippi Code of 1972, Annotated) established the Mississippi Emergency Medical Services Advisory Council. Additionally, subsection 1 of §41-59-61, Mississippi Code of 1972, Annotated states “...*the Emergency Medical Services Advisory Council acting in an advisory capacity, shall administer the disbursement to such governmental units of any funds appropriated to the board from the Emergency Medical Services Operating Fund and the utilization of such funds by the governmental units*” Their governing statute requires the Council to meet at least once a year. According to BEMS, the advisory council did not meet in calendar year 2004 because a quorum was not present, but they did meet in calendar year 2005 and recommended amending “Mississippi EMS – The Laws, Rules, and Regulations.” Regulations regarding EMS providers, their licensing and their reporting requirements are all important issues that come before the Advisory Council. DoH staff has indicated that the Mississippi Emergency Medical Services Information System, a statewide computer system designed to gather data about ambulance calls and at least partially paid for with EMSOF, was also initiated through the Advisory Council process.

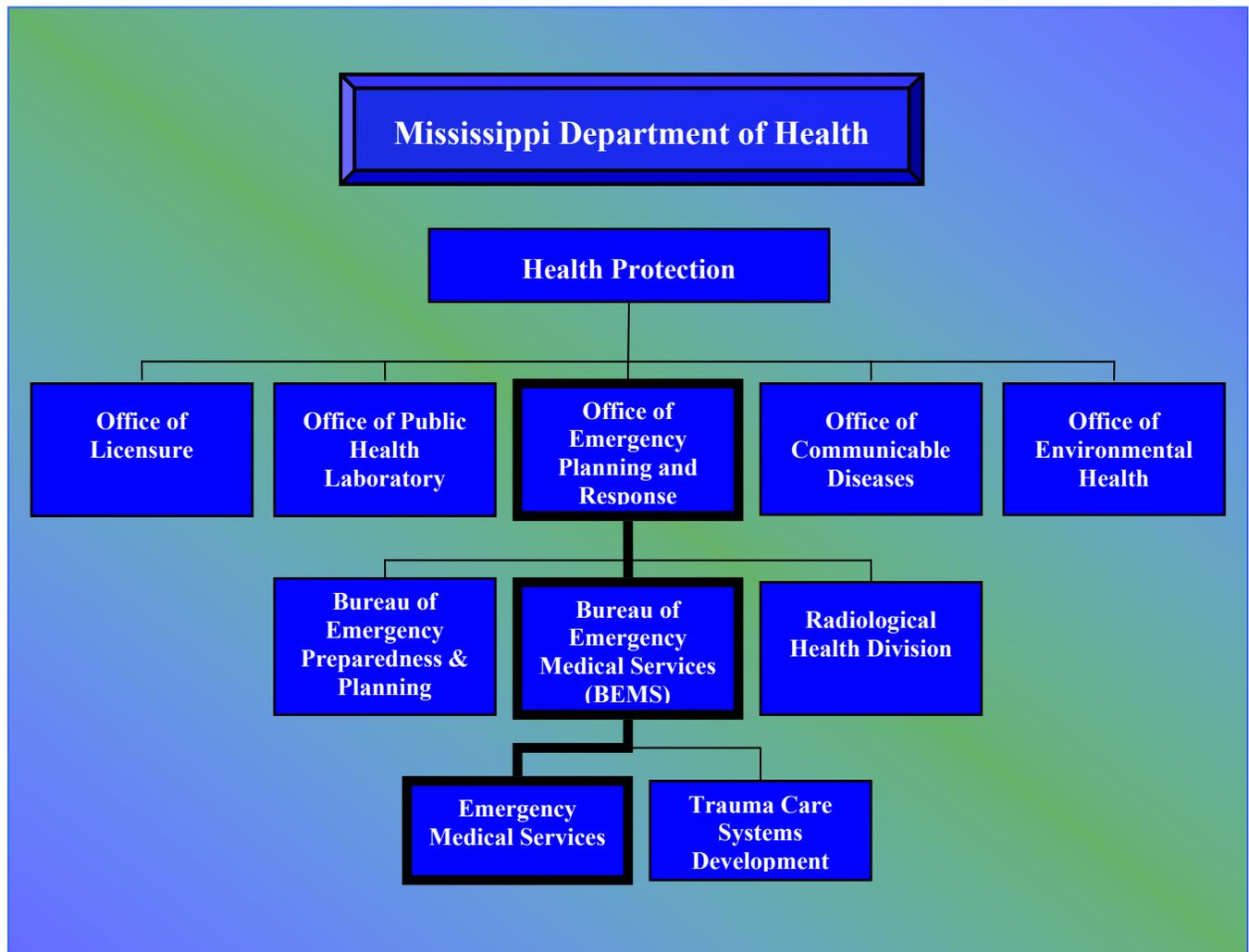
As of the date of this report, the Council has not met in 2006. One problem the Council faces is a lack of members. OSA determined that all Council memberships had been allowed to lapse. The only active member at this time is the State Health Officer. According to Department of Health (DoH) staff, the Council is responsible for providing direction about how to expend EMSOF. DoH staff reported that they only knew “who were [Council] members when they showed up for a meeting or brought them [DoH] a letter.” DoH has stated that the Bureau of Emergency Management Services (BEMS) does not keep up with membership appointments to the Council. They have also noted they have not provided any assistance to the Governor’s Office in the past in making such appointments.

The Council is required to meet at least annually under §41-59-7, Mississippi Code of 1972, Annotated. Yet, in the last three years, it has met only once. This section also states that the Council “shall advise and make recommendations to the Board regarding rules and regulations.” OSA recommends DoH should request the Governor’s Office to appoint appropriate members to the Council as their terms lapse and work with the Governor’s Office to facilitate this process. Further, DoH should designate staff to maintain records of membership and their terms of service, in anticipation of requesting new appointees. DoH should call a meeting of the Council at least once annually as the law requires. If making a quorum once a year is a problem, then DoH should consider requesting the Legislature to make a technical change to the Advisory Council statute to allow non-participating members to be removed and replaced. According to BEMS, since September 2006, they have been working with the Governor’s office to make appointments and plan to call a meeting prior to the end of the year.² As of October 16, 2006, DoH reports that there is a scheduled Council meeting on November 7, 2006.

² According to the Department of Health officials, “*the former EMS Director notified the State Health Officer and the Governor to inform them of the lapsed advisory council memberships. Prior to 2006, the Governor failed to reappoint the members.*”



Chart 1: Mississippi Department of Health Organization Chart – Health Protection Office



Source: Mississippi Department of Health data

Emergency Medical Services Operating Fund

The main focus of this review is the Emergency Medical Services Operating Fund (EMSOF), which was established in 1982 under Title 41, Chapter 59, Section 61, of the Mississippi Emergency Medical Services Act of 1974. It was created to replace federal dollars which had previously been provided for by the Emergency Medical Services Act of 1973. In 1980-81, the federal government changed their guidelines and regulations under this Act. The result was a broader interpretation of the use of federal funds and therefore a potential loss of the funds that were being distributed to local governments for the support of local EMS programs.

In an interview with former State Representative Stone Barefield, one of EMSOF’s primary authors, he heavily stressed the original intent of §41-59-61, Mississippi Code of 1972, annotated. He stated that the original intent was simple. Because local governments faced losing federal funds that were helping them provide emergency ambulance services, especially in rural areas of the State, a new state sponsored funding source was being proposed.

The bill that passed was intended to raise money to be distributed to EMS units throughout the State. That is, it would transfer a \$5 assessment to traffic violations into the EMSOF and then redistribute it on a per capita basis to all eligible entities who applied for the funds. He also stated that it was never the intent of the original law to be used for anything except the redistribution of funds to eligible entities and enough additional money to cover the administration of the work involved to redistribute those funds. He stated that it was never



the intent of the original law to pay for the administration of any other programs within BEMS or to purchase any equipment for the DoH other than what was needed to administer the redistribution of funds. According to Mr. Barefield, the only reason the word “administration” was in the law was because legislators realized that there must be some small amount of internal cost to administer the redistribution of the funds. However, he also acknowledged that over the years, it is possible the law changed and the intent may have changed as well. He believed, though, that the main purpose was the redistribution of funds. He emphasized that, at the time, it was common sense language for a simple program.

In fact, in corroboration with Mr. Barefield’s comments, according to the *EMS Annual Report: Fiscal Year 2004*, published by the DoH, “the Emergency Medical Services Operating Fund (EMSOF) ...funds are then distributed on a per capita basis to eligible governmental units (cities, counties, EMS districts) for local level EMS support. BEMS has administered the EMSOF since its establishment.” DoH staff maintain that this wording has been in place since EMSOF began. The report does not detail any other expenditures of EMSOF, even though almost half of EMSOF funds are spent internally by BEMS in support of its operations and other program areas.

In fact, expenditures for administrative purposes (non-distributed dollars³) provided in the FY 2004 EMS Annual Report between 1984 and 2004 show a very moderate administrative cost portion. The total collections from 1983 through 2003 were reported by DoH as \$27,719,462; distributions (which run a year behind collections) from 1984 through 2004 were reported as \$24,342,096. If these numbers are accurate, the average amount expended for administrative services during this 20-year time period was \$168,868 per year. In contrast, the average amount expended per year on administrative items in 2005 and 2006 was \$746,595.36. In FY 2006, the agency reduced its EMSOF administrative costs significantly due to an unplanned budget shortfall. Otherwise, the 2-year average administrative expenditures for FY 2005 and 2006 would have been even higher.

A large portion of these expenditures were for employees who were not directly involved in the redistribution of EMSOF money to local entities, but who were associated with the BEMS. It should be noted that §41-59-61, Mississippi Code of 1972, Annotated, can be broadly interpreted because it uses the word “program” to describe where administrative funds may be used.⁴ Currently, the BEMS and DoH interpret the EMSOF statute very broadly and utilize funds to pay for equipment, commodities, travel, and salaries of staff that are part of BEMS, but not necessarily directly related to the redistribution of EMSOF funds to local entities. The statute allows such expenditures as long as it falls within the BEMS statutory uses. However, OSA finds no authority for DoH to pay salaries, purchase equipment, etc., for staff or programs outside of the statutory areas of §41-59-5 and §41-59-61. The agency used EMSOF money to pay employees’ salaries who work outside BEMS.

In FY 2006, the Office of Health Protection had at least fifteen employees being paid either wholly or partially from the EMSOF. Of the 15, four of these employees do not work for the EMS program. According to DoH, the percentage of salaries paid from the EMSOF varies per employee based on the employees’ roles and responsibilities. The table on page 5 illustrates the employees’ titles (as listed with the State Personnel Board (SPB) and the Mississippi Department of Health (DoH)) and the percentage of their salaries paid by EMSOF for FY 2004, FY 2005, and FY 2006 as reported by the Department of Health on October 5, 2006. Auditors are unable to verify the provided salary and position information at this time due to the inconsistency of and changes to information provided by DoH regarding salaries and percentage of EMSOF charged in the past month.⁵ Even so, the data provided shows a wide range of salary percentages from year to year for individual staff members.

³ Where this report uses the terms “distribute,” or “distribution,” it is equivalent to the DoH’s and the Mississippi Code’s use of the word “disburse” or “disbursements.” The use of distribute/distribution in our text is only a reference to EMSOF funds that are distributed, based on eligibility, to local EMS providers.

⁴ §41-59-61, Mississippi Code of 1972, Annotated states, “The Legislature may make appropriations from the Emergency Medical Services Operating Fund to the State Board of Health for the purpose of defraying costs of administration of the Emergency Medical Services **program** and for redistribution of such funds to the counties, municipalities and organized medical service districts (hereinafter referred to as “governmental units”) for the support of the emergency medical services programs.” When the Operating Fund was created, many of the subsequent programs under the 1974 Act did not exist. However, as long as the State Department of Health confines its use of EMSOF to items that can be directly related to the BEMS, there is no violation of the Statute.

⁵ While OSA first requested salary information on July 19, 2006, information was not provided until after a second request was made on August 21, 2006. Subsequently this information was corrected four times in the following month.



Table 1: Positions and Percentage of Salaries Paid from the EMSOF⁶

Official SPB Title	DoH Title	2004	2005	2006
Operations Management Analyst Principal	Finance Manager	0%	15%	25% ^[2]
Special Projects Officer IV	Administrative Assistant	-	10%	5% ^[2]
Bureau Director II	Director EMS/Trauma	17%	100%	72%
Administrative Assistant IV	Administrative Assistant EMS/Trauma	0%	82%	75%
Special Projects Officer IV	Policy Planner EMS/Trauma	0%	100%	74%
Accounting Auditor II	EMSOF/TCTF	0%	0%	50%
Division Director I	EMS Director	0%	17%	100%
Branch Director I	EMS Licensure/Certification Manager	100%	15%	100%
Branch Director I	EMS Certification Manager	100%	17%	0%
*Systems Administrator/ Programmer Analyst I	EMS/Trauma IT Support	0%	44%	0%
Programmer Analyst II	EMS/Trauma IT Support	100%	100%	74%
Senior Systems Administrator	MEMSIS Manager	100%	100%	77%
Health Program Specialist Senior	MEMSIS Support	0%	69%	51%
*Nurse IV / Operations Management Analyst Principal/ Special Projects Officer IV	EMS Licensure Manager	0%	100%	82%
Health Program Specialist Senior	EMS Inspector/Investigator	100%	29%	vacant
Branch Director II	Policy Planner	0%	0%	5% ^[2]
Office Director I	Director of Office of Emergency Planning & Response	-	-	6% ^[2]
Special Projects Officer III	Compliance Officer	-	-	29%

According to DOH, fluctuations in the percentages paid on an annual basis were due to the employees' involvement/responsibility in the EMS program.

**The State Personnel Board approved re-classifications of these PINS.*

[2] According to DoH, these positions were repaid to EMSOF in August, 2006. There were numerous other salary percentages recalculated in FY 2006.

Source: Mississippi Department of Health data

OSA recommends that the EMSOF be repaid any funds that were expended without authority for salaries of personnel outside of BEMS. The salary of these employees should be taken from appropriate funds, not the EMSOF. DoH maintains that they allocate salary funds based on percentage of effort, not where a staff member is organizationally. While this works in theory, the EMSOF statute is clear about what the fund can be used for, and perhaps more importantly, DoH should look more carefully at how it is allocating work to staff outside BEMS.

⁶ This chart has been updated since it was originally created from data provided by the Department of Health. The CFO for the Department "reviewed all individuals paid from EMSOF for FY 2004 – FY 2006 and updated the percentage of their salary paid from EMSOF. This was calculated by determining the total salary payments to the individual (PIN) and the total amount paid with 039S...then calculated a percentage." 039s is the EMSOF fund number. The CFO also stated that some of the originally reported PINs and job titles from FY 2004 and FY 2005 were incorrect and also noted that "The FY 2006 salary amounts for the individuals... that were under Health Protection yet paid with EMSOF were repaid August 22, 2006."



Also, the Legislature should consider making a determination about the intent of the law in order to clarify its use. If the intent of EMSOF is strictly to provide a grant program to local governments, then OSA recommends changing the law.⁷ If the Legislature intends this fund to pay for equipment, other programs, and the administrative costs of the Bureau and only redistribute what is left to local governments, then OSA sees no reason to change the current law (§41-59-61).

BEMS Funding Sources

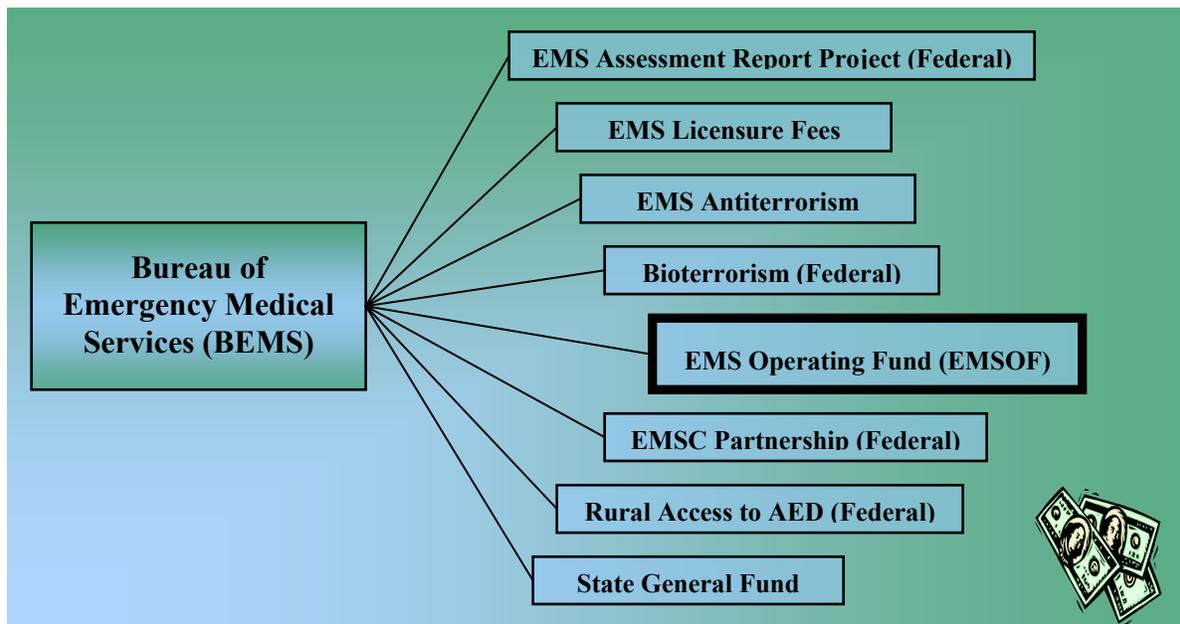
Funding for BEMS is derived from 8 funding area. Some of these funds are federal, some are state, and some derive from local entities and individuals. These sources vary in size from \$9,709 to \$1,601,475. One of these is the EMSOF. Current wording of §41-59-61, MS Code of 1972, Annotated, allows DoH to use EMSOF money to pay administrative costs to compensate for administrative and programmatic expenses relating to the larger EMS program. Other potential funding sources are identified in the chart below. Auditors did not make a determination about the expenditures of other BEMS sub-programs. Information in this section is provided to add perspective to EMSOF discussion

A large portion of EMSOF funds were used to pay non-EMSOF administrative costs. However, DoH is currently unable to determine the percentage of EMSOF funds used for the administrative costs of BEMS. They note that they don't currently track EMSOF data in this manner, but are considering changing their tracking methods in the future.

Due to internal decisions within BEMS in fiscal year 2006, the EMSOF distributions were greater than budgeted, which forced BEMS to use money from the General Fund to compensate for the annual distributions of the EMSOF grants to eligible governmental units.

Both BEMS and DoH should determine if their allocation of funds for administrative expenses across BEMS is appropriate to the effort of BEMS for those areas.

Chart 2: Possible Funding Sources for BEMS



Source: Mississippi Department of Health data

⁷ If it is the intent of the Legislature that this fund be used as a means for local governments to enhance their local EMS programs, then amending the law to read...“for the purpose of defraying costs of administration of the Emergency Medical Services Operating Fund (EMSOF) and for redistribution of such funds to the counties, municipalities and organized medical service districts...”would clarify that intent. Amending the word “program” to “fund” §41-59-61 would increase the amount being distributed to governmental units, which use the funds to enhance the EMS services in their city, county, or district.



EMSOF Internal Policies and Procedures

OSA requested all policies and procedures relating to EMSOF from DoH. They were able to provide official Board approved policies and procedures covering the application process for eligible entities. However, currently DOH has no written, internal policies and procedures for processing and redistributing EMSOF money. The following policies and procedures were provided by the current Director of the Office of Health Protection and have not been approved by the State Board of Health.

1. *Collections to the State Treasury are reported for the previous fiscal year to DOH Department of Finance and Accounts. (Usually no later than first of September)*
2. *A calculation of funds collected in the previous fiscal year less administrative/programmatic expenses is determined. This figure is confirmed by the EMS Director and turned over to the EMSOF administrator to be input into the EMSOF computer program. The EMSOF computer program is maintained to include the latest US Census figures for counties, eligible municipalities, and EMS Districts. When the amount to be disbursed is inserted, the system calculates the amount each county, municipality, or EMS District is allocated for application. The system then prints off the applications with the amount of funds allocated for awarding. A letter from the EMS Director is sent with the applications to applicants.*
3. *Applications are usually mailed out the first part of October with a due date around November 15 of each year. (The date varies if November 15 is on a weekend). A date is entered into the system for when applications are mailed.*
4. *EMSOF official hosts an EMSOF grantee meeting in the each public health region.*
5. *Applications are completed by the applicants and forwarded to the EMSOF administrator to ensure that they are complete and that items requested meet the requirements of the statute. A date is entered into the system for when an application is received. If an application has to be returned for signatures, they are returned to the applicant with a notation and logged into the system that they are being returned. If an application is missing documentation, the EMSOF administrator contacts the applicant and has the information mailed or faxed into the office to complete the application. If an applicant is ruled not to be eligible for the EMSOF usually due to no or insufficient local funding to EMS, a letter is generated advising the applicant that they are not eligible, and the reason. This is noted in the EMSOF computer system.*
6. *When the application is complete, the items requested are categorized on the last sheet of the application and signed by the EMSOF administrator.*
7. *The application is then routed for signatures (as it is a contract), to the EMS Director, Health Protection Director, and Director of Finance and Administration. The date of routing is entered into the EMSOF computer system.*
8. *When the application (contract) is returned, the EMSOF administrator generates an invoice for the applicant and processes it for signature in the agency with a note to return checks to the EMSOF administrator.*
9. *When the check comes to the EMSOF administrator it is verified against the contract and the computer to ensure the amount is correct and then mailed with a copy of the approved application (contract) to the recipient. The date of mailing the check and application is recorded in the EMSOF computer system. Most checks are mailed in mid to late December to early to mid-January each year. If a county, municipality, or EMS District that normally applies does not send in an application by the requested date in November, the EMSOF administrator will normally call the applicant to see if they need another application or to see if they can provide any assistance.*



Although these are not yet official, approved policies and procedures, DoH appears to be in compliance with them. DoH reports they are now in the process of formally adopting these policies and procedures. In addition to the above policies, beginning in FY 2007, the Department of Health will host an EMSOF grantee meeting in each public health region to assist grantee applicants with the application process. This change was approved and implemented through the Advisory Committee process at their meeting in 2005.

When OSA asked about the reason distribution payments were late for FY 2006, DoH cited Hurricane Katrina. They stated that many employees were sent to the coast or reassigned for a long enough period of time that it caused a delay in redistribution of local funds. OSA was unable to verify this reported reason. However, it is illustrative of the need for the Department to go through the process of standardizing the EMSOF redistribution process internally, so that delays can be avoided or minimized in the future.

EMS Operating Fund Revenues and Expenditures

Revenue

Historically, the source that provides over 99% of the revenue for EMSOF has been the \$5.00 assessment on each statewide hazardous moving violation. Through a BEMS budgeting error, a shortage in EMSOF funds was made up in FY 2006 by an addition of over \$300,000 from the General Fund. The following table shows the revenue source and amount for the past three fiscal years. In addition, it shows the Federal Emergency Management Agency (FEMA) reimbursement to the EMSOF of \$158,449.58 for costs incurred due to Hurricane Ivan the previous fiscal year.

Table 2: Revenue for EMSOF

	FY 2004	FY 2005	FY 2006
Beginning Cash Balance	2,036,869.93	1,065,721.39	19,041.54
Revenue			
<i>Total Emergency Medical Fines</i>	2,014,581.25	1,674,385.45	1,442,725.53
<i>Income From Outside State Gov't</i>	4,084.35	-	-
<i>Donations</i>	-	-	300.00
<i>Other</i>	-	-	-
<i>General Fund Contributions</i>	-	-	308,670.00
<i>Hurricane Ivan Reimbursement from FEMA</i>	-	-	158,449.58
Revenue Total	2,018,665.60	1,674,385.45	1,910,145.11
Grand Total Funds Available to be expended	\$ 4,055,535.53	\$ 2,740,106.84	\$ 1,929,186.65
<i>Note: The FY 2005 operating expenses include approximately \$171,000 in expenditures that was attributed to the agency's response to Hurricane Ivan. The line item above shows partial reimbursement to EMSOF.</i>			

Source: Mississippi Department of Health data



Expenditures

There are several expenditures paid from the EMSOF. Subsection 1 of §41-59-61 states, “the Legislature may make appropriations from the Emergency Medical Services Operating Fund to the State Board of Health for the purpose of defraying costs of administration of the Emergency Medical Services program and for redistribution of such funds.” Therefore, DoH is allowed to pay these expenditures. However, it should be pointed out that the more EMSOF money used internally by DoH, the less that is available to be distributed to local entities. The table below details the expenditures relating to the redistribution of EMSOF grants and the EMS administrative and programmatic costs.

Table 3: Expenditures of EMSOF

	FY 2004	FY 2005	FY 2006	
Expenditures				
Salaries & Fringe	\$261,001.01	\$367,118.19	\$402,804.30	
Travel	\$63,927.66	\$62,766.03	-	
Contractual	\$234,527.10	\$370,748.92	-	
Commodities	\$105,866.00	\$75,440.55	-	
Equipment	\$243,540.64	\$41,471.55	-	
Distribution of EMSOF	\$1,865,239.00	\$1,717,842.00	\$1,055,803.00	(1)
EMSOF	\$152,880.00	\$13,952.00	-	
Transfer Between Funds	\$1,386.60	\$812.40	-	
Indirect Cost	\$46,980.18	\$70,913.66	\$80,560.85	
Total Expenditures	\$2,975,348.19	\$2,721,065.30	\$1,539,168.15	
Allocation of Conversion Adjustment	\$14,465.95	-	-	
Ending Cash Balance	\$1,065,721.39	\$19,041.54	\$390,018.50	
(1) - Includes \$308,670 paid from state general funds for grant distributions.				

Source: Mississippi Department of Health Analysis of EMS Operating Fund

EMSOF redistribution and administrative expenditures were somewhat similar in FY 2004 and FY 2005. In FY 2005, EMSOF redistribution and administrative expenditures decreased by \$147,397 (7.9%) and \$106,888.89 (9.63%), respectively, from FY 2004. In FY 2006, after DoH reversed numerous internal expenditures out of EMSOF (April 2006), EMSOF redistribution and administrative expenditures showed a significant decrease - \$662,039.00 (38.54%) and \$519,858.15 (51.82%), respectively, from FY 2005. (See table 4 on the following page).

When asked why a majority of the internal EMSOF expenditures were reversed in FY 2006, DoH replied, “It was discovered that the former EMS director utilized a cash report to calculate distribution of fines to the eligible counties, municipalities and EMS districts. This resulted in more monies being distributed to counties, municipalities and EMS districts than what the fund, less programmatic charges for EMS, had available.... To meet our commitment to the eligible counties, municipalities and EMS districts, some programmatic expenses were reviewed and moved to a different funding source, EMS Fees - State - 046S.”

The agency also transferred \$300,000 from their General Fund account to cover this shortfall they discovered.



Table 4: EMSOF Expenditure Trends

EMSOF Trend of Expenditures (FY 2004 – FY 2006)							
Fiscal Year	Total Expenditures	Re-distribution	Change in Prior Year Amount	% Change from Prior Year	EMS Administrative Expenditures	Change in Prior Year Amount	% Change from Prior Year
2004	2,975,348.19	1,865,239.00	--	--	1,110,109.19	--	--
2005	2,721,065.30	1,717,842.00	(147,397.00)	(7.90)	1,003,223.30	(106,888.89)	(9.63)
2006	1,539,168.15	1,055,803.00	(662,039.00)	(38.54)	483,365.15	(519,858.15)	(51.82)
Total	7,235,581.64	4,638,884.00			2,596,697.64		

Source: Mississippi Department of Health data.

In fact, expenditures for administrative purposes (non-distributed dollars) provided in the FY 2004 EMS Annual Report between 1984 and 2004 show a very moderate administrative cost portion. The total collections from 1983 through 2003 were reported by DoH as \$27,719,462; distributions (which run a year behind collections) from 1984 through 2004 were reported as \$24,342,096. If these numbers are accurate,⁸ the average amount expended for administrative services during this 20-year time period was \$168,868 per year. In contrast, the average amount expended per year on administrative items in 2005 and 2006 was \$746,595.36. In FY 2006, the agency reduced its EMSOF administrative costs significantly due to an unplanned budget shortfall. Otherwise, the 2-year average administrative expenditures for FY 2005 and 2006 would have been even higher.

The BEMS does not have a definition of “administrative expenses;” therefore, all administrative, operational, and programmatic expenses incurred to run the EMS program are classified as “administrative expenses.” BEMS utilizes the EMSOF to cover expenses associated with many of the other Bureau programmatic areas. The BEMS should define “administrative expenses” and clearly separate administrative, operational, and programmatic expenses to more effectively track the expenditures of BEMS and of EMSOF.

Although they acknowledge that they could track expenditures in this way, DoH is currently unable to determine the percentage of EMSOF dollars used for administrative costs for the rest of the Bureau. However, DoH stressed that they could begin to track expenditures in this way, if they were requested or required. OSA recommends the Department should classify and report administrative expenses paid for with EMSOF.

EMSOF Property

The Department of Health provided property listings of all equipment purchased with EMSOF for FY 2004 and FY 2005. This equipment varies from cellular phones and notebook computers to office furniture such as sofas and chairs. Although the majority of the equipment was purchased for the agency’s EMS program, some of these items are not being utilized by EMS personnel and are distributed in various places throughout DoH (See Appendices 5 and 6).

As exhibited in Table 5, for FY 2004, \$206,154.90 (84.65%) of the EMSOF was used to purchase property for the EMS program and \$35,654.75 (14.64%) for other areas within DoH. In FY 2005, \$37,351.58 (90.07%) was spent on BEMS. The rest of the items were either salvaged or missing. OSA was unable to determine how much of the equipment purchased with EMSOF money was bought to support the EMSOF redistribution and how much was purchased for other non-EMSOF areas of BEMS. In order to meet their commitment to local entities, in addition to a general fund transfer, EMSOF purchased no property in FY 2006.

⁸ Accuracy questions arise because DoH staff has reported that annual reports in 1998, 1999, and 2000 all show the same amount of to-date collections (\$21,370,972 in each year). This call all EMS annual report totals into question for the purposes of trend analysis. In addition, based on information in the FY 2003 and FY 2004 EMS Annual reports, there was only \$172,474 increase in total collections from 2003. This is in contrast to the \$2,018,665.60 reported by the DoH finance staff.



Table 5: Equipment Purchased with EMSOF for BEMS

Fiscal Year	Total Amount of Equipment Purchased	Total Amount of Equipment Purchased for EMS	Total Amount of Equipment Purchased for Other Areas	Percentage of Total Equipment Purchased for EMS
2004	\$243,540.64	\$206,154.90	\$35,654.75	84.65%
2005	\$41,471.55	\$37,351.58	\$0.00	90%
2006	\$0.00	\$0.00	\$0.00	0%

Source: Mississippi Department of Health Analysis of the EMS Operating Fund and the Property listing with Location of Equipment Purchased with EMSOF funds

On September 18, 2006, Property Division staff went to the Department of Health, to view 92 inventory items valued at \$232,793.76. These items were purchased in 2004 with EMSOF funds. On September 20, 2006, property division staff went to the Department of Health to view 66 items valued at \$35,605.66. These items were purchased in 2005 with EMSOF funds. At that time, 9 of the 158 items were not verified. The value of the 9 items was \$24,480.00. On October 4, 2006, property division staff returned to the Department of Health to view 46 items purchased with EMSOF funds which, previously, had not been identified on the list of inventory items given to OSA. One item was not verified. One item of the nine previously missing items was verified. During the initial audit of EMSOF purchased equipment, 49 items valued at \$45,034.91 were not found or were reported not on inventory. DoH reported some of this equipment as lost by a vendor. In follow-up audits, all inventory items except 4 DVD cameras and a GPS pocket computer with a total value of \$3,880 have been located, including all of the equipment reported lost by the vendor.

Poor internal property controls appear to be responsible for this equipment originally being reported as lost by a vendor, and which was later found properly installed in DoH vehicles. The agency may have had equipment shipped straight from the vendor to a private contractor for installation into DoH vehicles, without properly receiving the items at the agency. DOH reported this equipment at the installer from at least May, 2005 until August 2005, when they reported it was lost during the devastation of Hurricane Katrina. It was found by the beginning of October 2006.

In addition, OSA does not find authority for DoH to expend EMSOF funds for equipment to be used outside of BEMS. In 2004, EMSOF was used to purchase \$35,654.75 of equipment being used throughout the entire Department. They have reported now that at least some of it was used in support of EMS functions (see end of Appendix 5 for notes from DoH). OSA recommends that EMSOF be repaid any funds expended without authority for equipment being used outside of BEMS. The equipment purchased with EMSOF should be limited to the BEMS.

DoH needs to improve internal controls over inventory tracking and record keeping. All equipment purchased with EMSOF funds, along with their locations should be added to EMS property listing. Further, in the future, any equipment purchased by the DoH should be properly received by the agency, recorded on inventory, and then sent to the contractor to be installed. DoH is responsible for any lost equipment and should, in turn, hold their contractor responsible for any lost equipment that can be attributed to the contractor's negligence. In addition, OSA will follow normal procedure by sending a letter requesting to see the missing inventory items within 30 days. If they are unavailable after that time or if no reasonable explanation is provided for the missing equipment, a demand letter will be issued to recover the costs for the DoH.



Redistribution of EMSOF

Redistribution

Section 41-59-61, Mississippi Code of 1972, annotated, states that one of the uses of the EMSOF is “redistribution of such funds to the counties, municipalities and organized medical service districts (hereinafter referred to as “governmental units”) for the support of the emergency medical services programs.” These redistributions are done annually and have totaled more than \$4.7 million over the past three years (see charts below) assisting more than 75 governmental units throughout the State. Since its inception, \$27,115,741 has been redistributed.

The State Board of Health approved criteria used for determining priority for local expenditures are as follows:

- Basic Life Support (BLS) – To increase the availability and/or improve the quality of basic ambulance service as described in §§ 41-59-1 through 41-59-49 of the Mississippi Code of 1972 as amended.
- Advanced Life Support (ALS) – To increase the availability and/or improve the quality of advanced life support services as defined in the §§ 41-60-11 through 49-60-13 of the Mississippi Code of 1972 as amended.
- Regionalization – To support or increase support for the establishment, administration, and/or expansion of EMS districts as defined in §§ 41-59-51 through 41-59-59 of the Mississippi Code of 1972 as amended.

Table 6 shows the distribution as a percentage of the total revenue for each of the three fiscal years.

Table 6: Redistribution of EMSOF Compared to Total Revenue of EMSOF

Fiscal Year	Funds Available*	Redistributions	Percentage of Revenue that was redistributed
2004	\$4,055,535.53	\$1,865,239.00	45.9%
2005	\$2,740,106.84	\$1,717,842.00	62.7%
2006	\$1,929,186.65	\$1,055,803.00	54.7%
*This amount includes carry-over dollars from the previous year and revenue outside of assessments collected.			

Source: Mississippi Department of Health Analysis of EMS Operating Fund



Table 7 shows the distribution as a percentage of the total expenditures for each of the three fiscal years.

Table 7: Redistribution of EMSOF Compared to Total Expenditures of EMSOF

Fiscal Year	Expenditures**	Redistributions	Percentage of Expenditures that was Redistributed	Administrative Costs	Percentage of Expenditures that was Administrative Costs
2004	\$2,975,348.19	\$1,865,239.00	62.7%	\$1,110,109.19	37.3%
2005	\$2,721,065.30	\$1,717,842.00	63.1%	\$1,003,223.30	36.9%
2006	\$1,539,168.15	\$1,055,803.00	68.6%	\$483,365.15	31.4%

**This amount includes the redistribution.

Source: Mississippi Department of Health Analysis of EMS Operating Fund

Redistribution Rules and Regulations

The following details the rules and regulations of EMSOF redistributions.

Applicant Eligibility

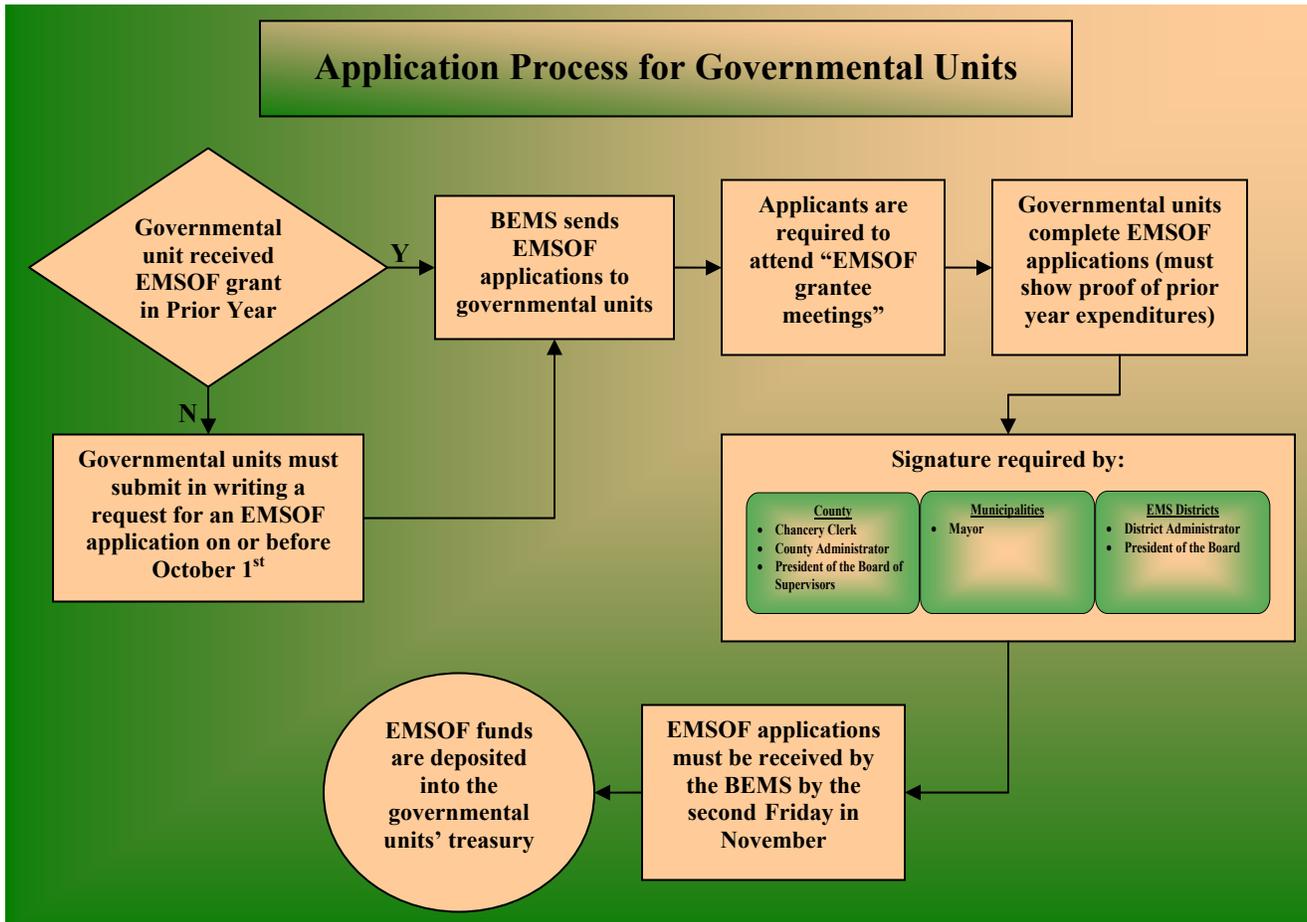
EMSOF is restricted to specific governmental units. They are required to spend the local funds directly on the ambulance service, at an amount of \$ 0.15 per capita based on the most current federal census.

Application Process

The BEMS forwards the EMSOF applications to the governmental units that received the funds in the prior year. Governmental units that did not receive funds for the prior year must submit in writing on or before October 1st a request for an EMSOF application from the BEMS. All applications must be received at the BEMS by 5:00pm on the second Friday of November each year. The following chart shows the flow of the entire application process. (See appendix 7 for the detailed application process.)



Chart 3: EMSOF Application Process



Source: Mississippi Department of Health. Mississippi EMS: The Law, Rules and Regulations. August 2005.

Eligible Uses of the EMSOF:

- Improvements in BEMS regulated emergency medical services
- Pay payroll and benefit differential pay for governmental units
- Pay dues to an EMS district
- Regional medical control
- Governmental support of trauma care systems
- Initial training of emergency medical technicians and continuing education of EMS drivers
- Purchase commodities that improve local EMS
- Purchase equipment and capital outlay items that improve local EMS



Conclusions

While this review was limited in scope, it has brought forth a number of issues which appear to have broad implications. This report only looked at the last three fiscal years within the Emergency Medical Services Operating Fund (EMSOF), so it is difficult to make any assertions about long-term trends within that fund or in the broader Bureau of Emergency Medical Services (BEMS), except those that were reported by DoH itself. Additionally, this report examined a single sub-program in a much larger framework. While this report is about the EMSOF, it is possible that DoH can use many of these findings and recommendations to improve BEMS and other areas of management outside of the Bureau. Frequently, there were many revisions to the information provided to OSA auditors. This lack of consistency transfers to management practices. It is not clear at this time whether it is an agency-wide problem or if it is more local to the BEMS.

Certainly, internal controls over property should be strengthened. While most of the missing equipment has been found at the time of this report's release, missing and non-inventoried equipment is a property control weakness. The original confusion over whether or not certain items were on inventory shows a lack of consistency in inventory policies, procedures, and implementation. The apparent belief that a private vendor had lost equipment that was actually installed in DoH vehicles and the difficulty DoH appeared to have identifying which equipment was purchased with EMSOF also shows a need to strengthen property controls.

Purchasing property, paying salaries, travel, commodities, or contractual expenses for use outside of the authority granted by statute is not allowed. DoH should examine their internal policies and procedures concerning these issues and take care to avoid expending EMSOF on areas outside the statutory limitations of the fund.

In discussions with former and current staff, there appeared to be a great deal of confusion over the use of EMSOF. There are currently no official, written internal policies and procedures, mission statements, etc., that could help clarify the fund's use. The Department should institute formal policies and procedures for the administration of the EMSOF so that from one administration to the next there will be some level of consistency for employees and grant recipients.

In general, the review of the EMSOF identified inconsistencies in management of the fund, as well as potential agency-wide issues related to budgeting and management authority of staff. With regard to the EMSOF, if the Legislature should determine the intent of the law to be redistribution of funds to local governments for the enhancement of local EMS programs, then consideration should be given to changing the EMSOF statute (§41-59-61, Mississippi Code of 1972, Annotated), if necessary.

The Department of Health should consider conducting historical trend analysis and a more detailed review of their management of EMS. Such review could yield even more information that would assist the Department and the Legislature in making upcoming decisions, as well as strengthening a program designed to help the citizens of Mississippi. Care should be taken in any such analysis that annual statistics for fund uses are accurate. Also, more care should be taken in reporting these expenditures in publications such as the EMS Annual Report, so that anyone reading the report will have an accurate picture of the effectiveness of the program. This is a program that has a potential benefit to all citizens in this State and, as such, should be monitored and governed with care to provide the greatest benefit possible to Mississippians.



Appendix 1: Purpose, Scope, & Methodology

Purpose

The purpose of this review was to respond to a request by the Chairman of the Senate Public Health & Welfare Committee to review the Mississippi Department of Health's use and management of the Emergency Medical Services Operating Fund (EMSOF). This fund was created under §41-59-61 to provide local governments and EMS districts with matching funds to enhance their EMS programs. Questions arose about the fund over the last several years. The review was undertaken to discover whether or not policies, procedures, laws and regulations are properly in place and being followed, as well as to make recommendations to improve the effectiveness of the EMSOF.

Scope

The scope of this review was limited to the Emergency Medical Services Operating Fund (EMSOF) and very limited additional areas that directly impacted the use of the EMSOF. This review included program management, purpose, and statutory authority; EMSOF equipment purchases and uses for fiscal years 2004, 2005, & 2006; EMSOF revenues and expenditures for fiscal years 2004, 2005, and 2006; comparative analysis of the redistribution of funds; and salaries and other costs charged to EMSOF. The Bureau of Emergency Medical Services (BEMS) encompasses many revenue streams and numerous sub programs, of which EMSOF is only one. The limited length of time allotted for this review precluded an expanded review of the entire BEMS.

Methodology

OSA reviewed applicable laws and conformity therein; conducted interviews in person and over the phone; reviewed and analyzed financial, purchasing, budgetary data and other information to provide answers to the information request. Both the Agency Section of the Financial and Compliance Division and the Property Division, worked with the Performance Audit Division to complete this request. The Electronic Data Processing section of OSA assisted in data analysis as well.



Appendix 2: The Mississippi Emergency Medical Services Act of 1974

Section 41-59-5, Mississippi Code of 1972, as amended:

(1) *The State Board of Health shall establish and maintain a program for the improvement and regulation of emergency medical services (hereinafter EMS) in the State of Mississippi. The responsibility for implementation and conduct of this program shall be vested in the State Health Officer of the State Board of Health along with such other officers and boards as may be specified by law or regulation.*

(2) *The board shall provide for the regulation and licensing of public and private ambulance service, inspection and issuance of permits for ambulance vehicles, training and certification of EMS personnel, including drivers and attendants, the development and maintenance of a statewide EMS records program, development and adoption of EMS regulations, the coordination of an EMS communications system, and other related EMS activities.*

(3) *The board is authorized to promulgate and enforce such rules, regulations and minimum standards as needed to carry out the provisions of this chapter.*

(4) *The board is authorized to receive any funds appropriated to the board from the Emergency Medical Services Operating Fund created in Section 41-59-61 and is further authorized, with the Emergency Medical Services Advisory Council acting in an advisory capacity, to administer the disbursement of such funds to the counties, municipalities and organized emergency medical service districts and the utilization of such funds by the same, as provided in Section 41-59-61.*

(5) *The department acting as the lead agency, in consultation with and having solicited advice from the EMS Advisory Council, shall develop a uniform nonfragmented inclusive statewide trauma care system that provides excellent patient care. It is the intent of the Legislature that the purpose of this system is to reduce death and disability resulting from traumatic injury, and in order to accomplish this goal it is necessary to assign additional responsibilities to the department. The department is assigned the responsibility for creating, implementing and managing the statewide trauma care system. The department shall be designated as the lead agency for trauma care systems development. The department shall develop and administer trauma regulations that include, but are not limited to, the Mississippi Trauma Care System Plan, trauma system standards, trauma center designations, field triage, interfacility trauma transfer, EMS aero medical transportation, trauma data collection, trauma care system evaluation and management of state trauma systems funding. The department shall take the necessary steps to develop, adopt and implement the Mississippi Trauma Care System Plan and all associated trauma care system regulations necessary to implement the Mississippi trauma care system. The department shall cause the implementation of both professional and lay trauma education programs. These trauma educational programs shall include both clinical trauma education and injury prevention. As it is recognized that rehabilitation services are essential for traumatized individuals to be returned to active, productive lives, the department shall coordinate the development of the inclusive trauma system with the Mississippi Department of Rehabilitation Services and all other appropriate rehabilitation systems.*

(6) *The State Board of Health is authorized to receive any funds appropriated to the board from the Mississippi Trauma Care System Fund created in Section 41-59-75. It is further authorized, with the Emergency Medical Services Advisory Council and the Mississippi Trauma Advisory Committee acting in advisory capacities, to administer the disbursements of such funds according to adopted trauma care system regulations.*

(7) *In addition to the trauma-related duties provided for in this section, the Board of Health shall develop a plan for the delivery of services to Mississippi burn victims through the existing trauma care system of hospitals. Such plan shall be operational by July 1, 2005, and shall include:*

(a) *Systems by which burn patients will be assigned or transferred to hospitals capable of meeting their needs;*

(b) *Procedures for allocating funds appropriated from the Mississippi Burn Care Fund to hospitals that provide services to Mississippi burn victims; and*

(c) *Such other provisions necessary to provide burn care for Mississippi residents.*



Appendix 3: Emergency Medical Services Operating Fund

Section 41-59-61, Mississippi Code of 1972, Annotated:

(1) Such assessments as are collected under subsections (1) and (2) of Section 99-19-73 shall be deposited in a special fund hereby created in the State Treasury to be designated the "Emergency Medical Services Operating Fund." The Legislature may make appropriations from the Emergency Medical Services Operating Fund to the State Board of Health for the purpose of defraying costs of administration of the Emergency Medical Services program and for redistribution of such funds to the counties, municipalities and organized medical service districts (hereinafter referred to as "governmental units") for the support of the emergency medical services programs. The State Board of Health, with the Emergency Medical Services Advisory Council acting in an advisory capacity, shall administer the disbursement to such governmental units of any funds appropriated to the board from the Emergency Medical Services Operating Fund and the utilization of such funds by the governmental units.

(2) Funds appropriated from the Emergency Medical Services Operating Fund to the State Board of Health shall be made available to all such governmental units to support the emergency medical services programs therein, and such funds shall be distributed to each governmental unit based upon its general population relative to the total population of the state. Disbursement of such funds shall be made on an annual basis at the end of the fiscal year upon the request of each governmental unit. Funds distributed to such governmental units shall be used in addition to existing annual emergency medical services budgets of the governmental units, and no such funds shall be used for the payment of any attorney's fees. The Director of the Emergency Medical Services program or his appointed designee is hereby authorized to require financial reports from the governmental units utilizing these funds in order to provide satisfactory proof of the maintenance of the funding effort by the governmental units.



Appendix 4: Emergency Medical Services Advisory Council

Section 41-59-7, Mississippi Code of 1972, Annotated states:

(1) There is hereby created an emergency medical services advisory council to consist of the following members who shall be appointed by the Governor:

(a) One (1) licensed physician to be appointed from a list of nominees presented by the Mississippi Trauma Committee, American College of Surgeons;

(b) One (1) licensed physician to be appointed from a list of nominees who are actively engaged in rendering emergency medical services presented by the Mississippi State Medical Association;

(c) One (1) registered nurse whose employer renders emergency medical services, to be appointed from a list of nominees presented by the Mississippi Nurses Association;

(d) Two (2) hospital administrators who are employees of hospitals which provide emergency medical services, to be appointed from a list of nominees presented by the Mississippi Hospital Association;

(e) Two (2) operators of ambulance services;

(f) Three (3) officials of county or municipal government;

(g) One (1) licensed physician to be appointed from a list of nominees presented by the Mississippi Chapter of the American College of Emergency Physicians;

(h) One (1) representative from each designated trauma care region, to be appointed from a list of nominees submitted by each region;

(i) One (1) registered nurse to be appointed from a list of nominees submitted by the Mississippi Emergency Nurses Association;

(j) One (1) EMT-Paramedic whose employer renders emergency medical services in a designated trauma care region;

(k) One (1) representative from the Mississippi Department of Rehabilitation Services;

(l) One (1) member who shall be a person who has been a recipient of trauma care in Mississippi or who has an immediate family member who has been a recipient of trauma care in Mississippi; and

(m) One (1) licensed neurosurgeon to be appointed from a list of nominees presented by the Mississippi State Medical Association.

The terms of the advisory council members shall begin on July 1, 1974. Four (4) members shall be appointed for a term of two (2) years, three (3) members shall be appointed for a term of three (3) years, and three (3) members shall be appointed for a term of four (4) years. Thereafter, members shall be appointed for a term of four (4) years. The executive officer or his designated representative shall serve as ex officio chairman of the advisory council.

The advisory council shall meet at the call of the chairman at least annually. For attendance at such meetings, the members of the advisory council shall be reimbursed for their actual and necessary expenses including food, lodging and mileage as authorized by law, and they shall be paid per diem compensation authorized under Section 25-3-69.

The advisory council shall advise and make recommendations to the board regarding rules and regulations promulgated pursuant to this chapter.

(2) There is created a committee of the Emergency Medical Services Advisory Council to be named the Mississippi Trauma Advisory Committee (hereinafter "MTAC"). This committee shall act as the advisory body for trauma care system development and provide technical support to the department in all areas of trauma care system design, trauma standards, data collection and evaluation, continuous quality improvement, trauma care system funding, and evaluation of the trauma care system and trauma care programs. The membership of the Mississippi Trauma Advisory Committee shall be comprised of Emergency Medical Services Advisory Council members appointed by the chairman.



Appendix 5: DoH Equipment Purchased with EMSOF Funds for FY 2004

This equipment list provided by the Mississippi State Department of Health

Inventory Number	Item Description	Program	Location
59037	Label Writer	District 1	District 1
59041	Label Writer	District 3	District 3
59038	Label Writer	District 4	District 4
60633	Computer	District 5	District 5
60650	Computer	District 5	District 5
59997	Conference Table	District 7	District 7
59039	Label Writer	District 8	District 8
59013	Binding System	Emergency Medical Services	Annex Building
59015	Digital Camera	Emergency Medical Services	Annex Building
59036	Label Writer	Emergency Medical Services	Annex Building
59098	Laser Jet Printer	Emergency Medical Services	Annex Building
59215	Fax	Emergency Medical Services	Annex Building
59216	Fax	Emergency Medical Services	Annex Building
59253	Cell Phone	Emergency Medical Services	Annex Building
59256	Cell Phone	Emergency Medical Services	Annex Building
59259	Cell Phone	Emergency Medical Services	Annex Building
59308	Personal Computer	Emergency Medical Services	Annex Building
59309	Personal Computer	Emergency Medical Services	Annex Building
59310	Personal Computer	Emergency Medical Services	Annex Building
59311	Personal Computer	Emergency Medical Services	Annex Building
59312	Personal Computer	Emergency Medical Services	Annex Building
59313	Personal Computer	Emergency Medical Services	Annex Building
59427	Partition	Emergency Medical Services	Annex Building
59664	Switch and Access Card	Emergency Medical Services	Annex Building
59744	Disk Publisher	Emergency Medical Services	Annex Building
59786	Computer Notebook	Emergency Medical Services	Annex Building
59800	Printer Ink Jet	Emergency Medical Services	Annex Building
59905	CDR Color Printer	Emergency Medical Services	Annex Building
59945	Smart Array	Emergency Medical Services	Annex Building
59946	Smart Array	Emergency Medical Services	Annex Building
59998	Defibrillator	Emergency Medical Services	Annex Building
59999	Defibrillator	Emergency Medical Services	Annex Building
60369	Sofa	Emergency Medical Services	Annex Building
60370	Navy Chair	Emergency Medical Services	Annex Building
60440	Personal Computer	Emergency Medical Services	Annex Building
60442	Personal Computer	Emergency Medical Services	Annex Building
60443	Personal Computer	Emergency Medical Services	Annex Building
60444	Personal Computer	Emergency Medical Services	Annex Building
60445	Personal Computer	Emergency Medical Services	Annex Building
60484	Pocket Computer (GPS)	Emergency Medical Services	Annex Building
60458	Pocket Computer (GPS)	Emergency Medical Services	Environmental Services
60459	Pocket Computer (GPS)	Emergency Medical Services	Pike Co HD
60460	Pocket Computer (GPS)	Emergency Medical Services	Environmental Services



Inventory Number	Item Description	Program	Location
60461	Pocket Computer (GPS)	Emergency Medical Services	Coahoma Co HD
60462	Pocket Computer (GPS)	Emergency Medical Services	Tate Co HD
60463	Pocket Computer (GPS)	Emergency Medical Services	Salvage
60464	Pocket Computer (GPS)	Emergency Medical Services	Jones Co HD
60465	Pocket Computer (GPS)	Emergency Medical Services	Lowndes Co HD
60466	Pocket Computer (GPS)	Emergency Medical Services	Envir. Health - Meridian
60467	Pocket Computer (GPS)	Emergency Medical Services	Simpson Co HD
60468	Pocket Computer (GPS)	Emergency Medical Services	Health Informatics
60469	Pocket Computer (GPS)	Emergency Medical Services	Health Informatics
60470	Pocket Computer (GPS)	Emergency Medical Services	Tallahatchie Co HD
60471	Pocket Computer (GPS)	Emergency Medical Services	Scott Co HD
60472	Pocket Computer (GPS)	Emergency Medical Services	Walthall Co HD
60473	Pocket Computer (GPS)	Emergency Medical Services	Environmental Services
60474	Pocket Computer (GPS)	Emergency Medical Services	Dist Office - Tupelo
60475	Pocket Computer (GPS)	Emergency Medical Services	Tippah Co HD
60476	Pocket Computer (GPS)	Emergency Medical Services	Hinds Co HD
60477	Pocket Computer (GPS)	Emergency Medical Services	Environmental Services
60478	Pocket Computer (GPS)	Emergency Medical Services	Montgomery Co HD
60479	Pocket Computer (GPS)	Emergency Medical Services	Washington Co HD
60480	Pocket Computer (GPS)	Emergency Medical Services	Health Informatics
60481	Pocket Computer (GPS)	Emergency Medical Services	Forrest Co HD
60482	Pocket Computer (GPS)	Emergency Medical Services	Pearl River Co HD
60483	Pocket Computer (GPS)	Emergency Medical Services	Environmental Services
60501	Computer Notebook	Emergency Medical Services	Annex Building
60516	Truck	Emergency Medical Services	Annex Building
60566	Computer Notebook	Emergency Medical Services	Annex Building
60567	Computer Notebook	Emergency Medical Services	Annex Building
60569	Computer Notebook	Emergency Medical Services	Annex Building
60571	Computer Notebook	Emergency Medical Services	Annex Building
60574	Dell Workstation	Emergency Medical Services	Annex Building
60898	DV Recorder	Emergency Medical Services	Annex Building
60899	DV Recorder	Emergency Medical Services	Annex Building
60915	Air Conditioner	Emergency Medical Services	Annex Building
60916	Air Conditioner	Emergency Medical Services	Annex Building
61192	Satellite Radio	Emergency Medical Services	Annex Building
61193	Satellite Radio	Emergency Medical Services	Annex Building
61194	Satellite Radio	Emergency Medical Services	Annex Building
61195	Satellite Radio	Emergency Medical Services	Annex Building
61196	Satellite Radio	Emergency Medical Services	Annex Building
61197	Satellite Radio	Emergency Medical Services	Annex Building
61198	Satellite Radio	Emergency Medical Services	Annex Building
61199	Satellite Radio	Emergency Medical Services	Annex Building
61200	Satellite Radio	Emergency Medical Services	Annex Building
61201	Satellite Radio	Emergency Medical Services	Annex Building
61202	Satellite Radio	Emergency Medical Services	Annex Building
61203	Satellite Radio	Emergency Medical Services	Annex Building



Inventory Number	Item Description	Program	Location
61204	AED	Emergency Medical Services	Annex Building
61205	AED	Emergency Medical Services	Underwood Building
59030	Label Writer	Emergency Planning & Preparedness	Osborne Building
59031	Label Writer	Emergency Planning & Preparedness	Osborne Building
59032	Label Writer	Emergency Planning & Preparedness	Osborne Building
59034	Label Writer	Emergency Planning & Preparedness	Osborne Building
59035	Label Writer	Emergency Planning & Preparedness	Osborne Building
59785	Computer Notebook	Emergency Planning & Preparedness	Osborne Building
59803	Printer Ink Jet	Emergency Planning & Preparedness	Osborne Building
60366	Leather Chair	Emergency Planning & Preparedness	Osborne Building
60441	Personal Computer	Emergency Planning & Preparedness	Osborne Building
60568	Computer Notebook	Emergency Planning & Preparedness	Osborne Building
59018	Cellular Telephone	Emergency Planning & Preparedness	Osborne Building
59850	Microcassette Recorder	Environmental Services	Osborne Building
60746	Storage Works SSL Rack Ready	Health Informatics	Osborne Building
59033	Label Writer	Health Protection	Osborne Building
59783	Computer Notebook	Health Protection	Osborne Building
60540	High Point Straight Desk	Health Protection	Osborne Building
59029	Printer Ink Jet	Health Protection - Dr. Armstrong's Office	Osborne Building
59943	Smart Array	Infrastructure Support	Osborne Building
59944	Smart Array	Infrastructure Support	Osborne Building
59748	Monitor	Lab	Underwood Building
59804	Printer Ink Jet	Legal Department	Osborne Building
59784	Computer Notebook	Network Management	Annex Building
59801	Printer Ink Jet	Network Management	Annex Building
60572	Dell Workstation	Network Management	Annex Building
60573	Dell Workstation	Network Management	Annex Building
59787	Computer Notebook	Network Technology	Annex Building
59089	Cell Phone	Pharmacy	Lawson Street
59746	Monitor	Resource Development	Osborne Building
59001	Cell Phone	Salvaged	n/a
59040	Label Writer	Salvaged	n/a
59235	Pocket Computer (GPS)	Salvaged	n/a
59236	Pocket Computer (GPS)	Salvaged	n/a
59799	Printer Ink Jet	Salvaged	n/a
59802	Printer Ink Jet	Salvaged	n/a
59745	Monitor	State Health Officer	Osborne Building
59747	Monitor	State Health Officer	Osborne Building



DoH provided the following justifications for at least some of the equipment purchased that were used outside BEMS:

59784 (Computer Notebook), is used by the staff supporting the remaining equipment in EMS/Trauma. This equipment is physically located on the third floor of the Underwood Annex Building in the EMS department.

59801 (Printer Ink Jet), is used by the staff supporting the remaining equipment in EMS/Trauma. This equipment is physically located on the third floor of the Underwood Annex Building in the EMS department.

59943 and 59944 (Smart Array), was purchased to provide data storage for the MEMSIS data transmissions, application, and database management system. MEMSIS has been moved onto the MDH enterprise infrastructure and these devices are currently being transitioned to provide file storage for the agency including EMS. This equipment is physically located on the first floor of the Underwood Building in the Computer Room.

60572 and 60573 (Dell Workstation), is used by the staff that support and/or supported computer equipment in EMS/Trauma. This equipment is physically located on the third floor of the Underwood Annex Building in the EMS department.

60746 (Storage Works SSL Rack Ready), will be used to facilitate backups of the MEMSIS database and associated application files. This equipment is physically located on the third floor of the Underwood Annex Building in the EMS department.



Appendix 6: DoH Equipment Purchased with EMSOF Funds for FY 2005

All equipment lists provided by the Mississippi State Department of Health

Inventory Number	Item Description	Program	Location
61510	Pocket Computer (GPS)	Emergency Medical Services	Annex Building
61512	Pocket Computer (GPS)	Emergency Medical Services	Annex Building
61511	Pocket Computer (GPS)	Emergency Medical Services	
61513	Pocket Computer (GPS)	Emergency Medical Services	
61910	Microcassette Recorder	Emergency Medical Services	Annex Building
61930	Label Printer	Emergency Medical Services	Annex Building
61931	Label Printer	Emergency Medical Services	Annex Building
61935	Label Printer	Emergency Medical Services	Annex Building
61937	Label Printer	Emergency Medical Services	Annex Building
61938	Label Printer	Emergency Medical Services	Annex Building
61939	Label Printer	Emergency Medical Services	Annex Building
61932	Label Printer	Emergency Medical Services	
61933	Label Printer	Emergency Medical Services	
61934	Label Printer	Emergency Medical Services	
61936	Label Printer	Emergency Medical Services	
61952	Camera DVD	Emergency Medical Services	Annex Building
61953	Camera DVD	Emergency Medical Services	Annex Building
61954	Camera DVD	Emergency Medical Services	Annex Building
61955	Camera DVD	Emergency Medical Services	Annex Building
61956	Camera DVD	Emergency Medical Services	Annex Building
61957	Camera DVD	Emergency Medical Services	Annex Building
61958	Camera DVD	Emergency Medical Services	Annex Building
61959	Camera DVD	Emergency Medical Services	Annex Building
61960	Camera DVD	Emergency Medical Services	Annex Building
61951	Camera DVD	Emergency Medical Services	
62084	Printer Ink Jet	Emergency Medical Services	Annex Building
62085	Printer Ink Jet	Emergency Medical Services	Annex Building
62086	Printer Ink Jet	Emergency Medical Services	Annex Building
62087	Printer Ink Jet	Emergency Medical Services	Annex Building
62088	Printer Ink Jet	Emergency Medical Services	Annex Building
62090	Printer Ink Jet	Emergency Medical Services	Annex Building
62091	Printer Ink Jet	Emergency Medical Services	Annex Building
62092	Printer Ink Jet	Emergency Medical Services	Annex Building
62093	Printer Ink Jet	Emergency Medical Services	Annex Building
62094	Printer Ink Jet	Emergency Medical Services	Annex Building
62095	Printer Ink Jet	Emergency Medical Services	Annex Building
62097	Printer Ink Jet	Emergency Medical Services	Annex Building
62089	Printer Ink Jet	Emergency Medical Services	
62096	Printer Ink Jet	Emergency Medical Services	
62098	CD Writer	Emergency Medical Services	Annex Building
62113	Electric Typewriter	Emergency Medical Services	Annex Building



Inventory Number	Item Description	Program	Location
62136	Digital Camera	Emergency Medical Services	Annex Building
62137	Digital Camera	Emergency Medical Services	Annex Building
62138	Digital Camera	Emergency Medical Services	Annex Building
62141	Digital Camera	Emergency Medical Services	Annex Building
62142	Digital Camera	Emergency Medical Services	Annex Building
62144	Digital Camera	Emergency Medical Services	Annex Building
62145	Digital Camera	Emergency Medical Services	Annex Building
62139	Digital Camera	Emergency Medical Services	
62140	Digital Camera	Emergency Medical Services	
62143	Digital Camera	Emergency Medical Services	
62146	Digital Camera	Emergency Medical Services	Annex Building
62147	Digital Recorder	Emergency Medical Services	Annex Building
62148	Digital Recorder	Emergency Medical Services	Annex Building
62149	Digital Recorder	Emergency Medical Services	Annex Building
62150	Digital Recorder	Emergency Medical Services	Annex Building
62151	Digital Recorder	Emergency Medical Services	Annex Building
62152	Digital Recorder	Emergency Medical Services	Annex Building
62153	Digital Recorder	Emergency Medical Services	Annex Building
62154	Digital Recorder	Emergency Medical Services	Annex Building
62155	Digital Recorder	Emergency Medical Services	Annex Building
62284	Projector LCD	Emergency Medical Services	Annex Building
62293	System Mapping	Emergency Medical Services	Annex Building
62294	System Mapping	Emergency Medical Services	Annex Building
62295	System Mapping	Emergency Medical Services	Annex Building
62450	Digital Recorder	Emergency Medical Services	Annex Building
62452	Emergency Light System	Emergency Medical Services	Annex Building
62467	Executive Chair	Emergency Medical Services	Annex Building
62504	Notebook Computer	Emergency Medical Services	Annex Building
63148	Headset Wireless	Emergency Medical Services	Annex Building
63149	Headset Wireless	Emergency Medical Services	Annex Building
63150	Repeater Radio	Emergency Medical Services	Annex Building
63151	Portable Radio	Emergency Medical Services	Annex Building
63152	Portable Radio	Emergency Medical Services	Annex Building
63153	Portable Radio	Emergency Medical Services	Annex Building
63154	Portable Radio	Emergency Medical Services	Annex Building
63155	Mobile Radio	Emergency Medical Services	Annex Building
63156	Mobile Radio	Emergency Medical Services	Annex Building
62082	Salvaged	NOT ON INVENTORY	n/a
62083	Salvaged	NOT ON INVENTORY	n/a
		Cassette Recorder - Transfer to 621	



Appendix 7: EMSOF Application Process

1. Applications for EMSOF will be forwarded to applicants receiving EMSOF funds for the prior year. Other counties, municipalities and legal EMS districts wishing to receive applications shall submit in writing a request for application on or before October 1 of the year in which they plan to request EMSOF. Original applications, as provided by BEMS, for EMSOF must be received at the Bureau of Emergency Medical Services office by 5:00 PM on the second Friday of November each year. Applications received after this date will not be processed.
2. Applications for EMSOF must have satisfactory proof of the maintenance of the funding effort by the governmental unit in the form of a line item local fund expense for ambulance in the fiscal year in which EMSOF funds were collected. Satisfactory proof must also be provided in the form of a line item budget of local funds for ambulance in the fiscal year that EMSOF is being requested.
3. Applications must be signed by:
 - a. Counties: Chancery Clerk, County Administrator or President Board of Supervisors
 - b. Municipalities: Mayor
 - c. EMS Districts: District Administrator or President of the Board.
4. Applicants are required to attend an “EMSOF grantee meeting” to be held in their public health region before grant approval.
5. All EMSOF funds must be deposited into the governmental units’ treasury. Items purchased with EMSOF funds must be purchased in the name of the governmental unit. The governmental unit must follow its existing rules for the purchasing, inventory and disposal of these items. A sticker which states “This equipment purchased by the citizens of the State of Mississippi” shall identify equipment purchased with EMSOF funds.

Mississippi State Department of Health Responses



MISSISSIPPI DEPARTMENT OF HEALTH

October 17, 2006

Honorable Phil Bryant
State Auditor
501 N. West Street
Suite 801, Woolfolk Building
Jackson, MS 39201

Dear Mr. Bryant:

Thank you for the opportunity to respond to the report of your office regarding the Emergency Medical Services Operating Fund. Despite the obvious time pressures placed on your staff to deliver a report to the Senate Public Health Committee in a much shorter time frame than normal audit standards would allow, they have remained courteous and professional. Your staff provided the final draft of the report, via email, at 5:24 p.m. on Monday, October 16, 2006, and gave a deadline for our written response of Tuesday, October 17, 2006, at 12 noon.

Finding No. 1 – Legislative Intent for use of EMS Operating Fund

Agency Response

Miss. Code Ann. Section 41-59-5 **requires** the Department to establish “*a program for the improvement and regulation of emergency medical services.*” The following **requirements** for the program are specifically outlined in statute:

- Regulation and licensing of public and private ambulance services
- Inspection and issuance of permits for ambulance vehicles
- Training and certification of EMS personnel
- Development and maintenance of a statewide EMS records program
- Development and adoption of EMS regulations
- Coordination of an EMS communications system
- Other related EMS activities

Furthermore, Miss. Code Ann. Section 41-59-61 provides that, “*The Legislature may make appropriations from the Emergency Medical Services Operating Fund to the State Board of Health for the purpose of defraying costs of administration of the Emergency Medical Services program and for redistribution of such funds to the counties, municipalities, and organized medical service districts.*” This language clearly **authorizes and requires** the Department to have a state level EMS program and utilize EMS operating funds to administer the program.

BRIAN W. AMY, MD, MHA, MPH • STATE HEALTH OFFICER

570 East Woodrow Wilson • Post Office Box 1700 • Jackson, Mississippi 39215-1700
601-576-7634 • Fax 601-576-7931 • www.HealthyMS.com

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The Department of Health concurs with the Office of the State Auditor that the Legislature should amend the statute if it determines that the state level Emergency Medical Services (EMS) Program should be reduced to provide additional funds to local EMS districts.

Finding No. 2 – Payment of Salaries with EMS Operating Fund

Agency Response

The Mississippi Department of Health utilized EMS operating funds to pay for salaries to the extent of related EMS duties. The Department has operated consistent with a recommendation from a prior audit (Report #63) of the State Trauma Care Trust Fund by the Office of the State Auditor. The Office of the State Auditor recommended that percentages of employees salaries related to their effort be used to allocate the fund.

Finding No. 3 – Written Internal Policies and Procedures

Agency Response

While the Mississippi Department of Health has written internal policies that govern administrative practices and procedures, the agency acknowledges that improvements in specific EMS policies are needed. The agency has begun the process of developing additional policies per the recommendation of the Office of the State Auditor.

Finding No. 4 – Emergency Medical Services Advisory Council

Agency Response

The Mississippi Department of Health submits nominees for appointment to the EMS Advisory Council upon receipt of such nominations from the respective organizations identified in Miss. Code Ann. Section 41-59-7 including: Mississippi Trauma Committee - American College of Surgeons, Mississippi State Medical Association, Mississippi Nurses Association, Mississippi Hospital Association, Mississippi Chapter of the American College of Emergency Physicians, each designated trauma care region, and Mississippi Emergency Nurses Association.

EMS Advisory Council Meetings were held on the following dates: 3/6/2003, 7/10/2003, 12/11/2003, and 3/1/2005. In 2004, the EMS Advisory Council lacked a quorum by telephone poll. The next meeting is scheduled for 11/7/2006.

Finding No. 5 – Definition of EMS Program Expenses

Agency Response

The Mississippi Department of Health utilizes appropriate categorization of program expenses as required by state law (see Agency Response to Finding No. 1). In addition, the Department's financial system meets all requirements established by Mississippi statutes and the Mississippi Department of Finance and Administration.

Finding No. 6 – EMS Operating Fund Administrative Costs

Agency Response

The Department's financial accounting system is fully capable of classifying expenditures as noted in the finding; however, no state requirements have been issued that require such classification. The Mississippi Department of Health maintains its accounting system in accordance with all requirements of state and federal laws and regulations, including those issued by the Mississippi Department of Finance and Administration. As such, the Department classifies all expenditures as required by state and federal requirements.

Finding No. 7 – Purchase of Equipment with EMS Operating Fund

Agency Response

The Mississippi Department of Health identified property accounting issues within the EMS program in April 2006. The Department determined that EMS staff inadvertently coded purchases of equipment on two occasions to the EMS Operating Fund rather than to the intended program. In addition, equipment was transferred to other programs upon redeployment of staff to other programs, and other equipment was transferred upon decision of program managers.

Appropriate personnel actions were initiated and the Department has been in the process of taking other corrective actions to insure that EMS personnel properly account for and safeguard equipment. In addition, the Department has initiated accounting transactions to insure that appropriate funding sources have been charged for equipment of the respective programs.

Finding No. 8 – Equipment Inventory Audits

Agency Response

The Mississippi Department of Health identified property accounting issues within the EMS program in April 2006. A number of property items had been displaced throughout the agency. To date all property has been accounted for with the exception of five items. The Mississippi Department of Health is working with the Office of the State Auditor to recover costs associated with missing items.

In addition, appropriate personnel actions were initiated and the Department has been in the process of taking other corrective actions to insure that EMS personnel properly account for and safeguard equipment.

Sincerely,



Brian W. Amy, MD, MHA, MPH
State Health Officer